



March 18, 2005

ENGROSSED SENATE BILL No. 442

DIGEST OF SB 442 (Updated March 16, 2005 12:56 pm - DI 52)

Citations Affected: IC 14-37; IC 35-47.5.

Synopsis: Geophysical surveying and regulated explosives. Removes geophysical surveying from regulation by the natural resources commission and the department of natural resources. Specifies that the law defining the crime of recklessly violating a rule regarding the use of a regulated explosive does not apply to certain activities connected to near surface or subsurface use of regulated explosives associated with oil and natural gas. Allows the director of the department of natural resources to grant variances from certain oil and gas well drilling requirements. Makes conforming amendments.

Effective: Upon passage; July 1, 2005.

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(HOUSE SPONSORS — HOFFMAN, BISCHOFF)

January 13, 2005, read first time and referred to Committee on Natural Resources.
January 31, 2005, reported favorably — Do Pass.
February 3, 2005, read second time, ordered engrossed.
February 4, 2005, engrossed.
February 7, 2005, read third time, passed. Yeas 46, nays 0.

HOUSE ACTION

March 8, 2005, read first time and referred to Committee on Natural Resources.
March 17, 2005, amended, reported — Do Pass.

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ES 442—LS 7534/DI 96+



March 18, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 442

A BILL FOR AN ACT to amend the Indiana Code concerning
natural and cultural resources.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 14-37-1-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. A permit, a bond, or
3 an alternative security for a permit issued for
4 (†) a well for oil and gas purposes ~~or~~
5 (2) ~~geophysical surveying~~;
6 in force after June 30, 1988, is governed by this article.
7 SECTION 2. IC 14-37-4-1 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. A person may not
9 (†) drill, deepen, operate, or convert a well for oil and gas
10 purposes ~~or~~
11 (2) ~~conduct a geophysical survey~~;
12 without a permit issued by the department.
13 SECTION 3. IC 14-37-4-10 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. A permit for a well
15 for oil and gas purposes, other than a permit for a Class II well, ~~or~~
16 ~~geophysical survey~~, continues until:
17 (1) the well is plugged and abandoned;

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- (2) the well is converted to another type of well for oil and gas purposes; or
- (3) the permit is revoked.

SECTION 4. IC 14-37-4-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. ~~(a)~~ A permit for a well for oil and gas purposes expires one (1) year from the date of issuance unless the drilling of the well has commenced.

~~(b) A permit for geophysical surveying expires one (1) year from the date of issuance.~~

SECTION 5. IC 14-37-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. ~~(a)~~ The commission may require a person drilling or modifying a well for oil and gas purposes to furnish the following:

- (1) A copy of the driller's log and completion report of the well.
- (2) A copy of any geophysical or instrumental log.
- (3) Drill cuttings or cores.
- (4) Other information required by rule.

~~(b) The commission may require a person conducting a geophysical survey to furnish the following:~~

- ~~(1) A detailed description of the surveying technique used.~~
- ~~(2) A map identifying the exact location of all surveying operations.~~
- ~~(3) Other information required by rule.~~

SECTION 6. IC 14-37-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. **(a) Except as provided in subsection (b),** if a well for oil and gas purposes is proposed to be drilled:

- (1) on land underlaid by an inactive underground mine; or
- (2) on land within the permit boundaries of an active underground mine permitted under IC 14-34;

an owner or operator shall, if the well is to be completed as a producing well **and regardless of whether the well is drilled through a pillar,** run an intermediate string of casing from the surface to a point at least fifty (50) feet below the base of the commercially minable coal resource or the mine floor.

(b) Upon written application to the director by a person that proposes to drill a well described in subsection (a), the director may grant a variance from the requirements of subsection (a) if:

- (1) with respect to a proposed well on land described in subsection (a)(1), written consent to the variance is given by:**
 - (A) the permittee under IC 14-34; or**
 - (B) the person that has the right to develop the coal**

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1 resource; or
 2 (2) with respect to a proposed well on land described in
 3 subsection (a)(2), written consent to the variance is given by
 4 the coal mine operator under IC 14-34.

5 (c) If a variance is granted under subsection (b), the well must
 6 be completed:

7 (1) in the manner required under section 4 or 5 of this
 8 chapter; and

9 (2) in a manner that prevents the following:

- 10 (A) Waste.
- 11 (B) Fresh water pollution.
- 12 (C) Blowouts.
- 13 (D) Cavings.
- 14 (E) Seepages.
- 15 (F) Fires.
- 16 (G) Unreasonably detrimental effects upon fish, wildlife,
 17 and botanical resources.

18 SECTION 7. IC 35-47.5-4-4.5 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.5. (a) This
 20 section does not apply to:

- 21 (1) a person who is regulated under IC 14-34; or
- 22 (2) near surface or subsurface use of regulated explosives
 23 associated with oil and natural gas:

- 24 (A) exploration;
- 25 (B) development;
- 26 (C) production; or
- 27 (D) abandonment activities or procedures.

28 (b) The commission shall adopt rules under IC 4-22-2 to:

- 29 (1) govern the use of a regulated explosive; and
- 30 (2) establish requirements for the issuance of a license for the use
 31 of a regulated explosive.

32 (c) The commission shall include the following requirements in the
 33 rules adopted under subsection (b):

- 34 (1) Relicensure every three (3) years after the initial issuance of
 35 a license.
- 36 (2) Continuing education as a condition of relicensure.
- 37 (3) An application for licensure or relicensure must be submitted
 38 to the office on forms approved by the commission.
- 39 (4) A fee for licensure and relicensure.
- 40 (5) Reciprocal recognition of a license for the use of a regulated
 41 explosive issued by another state if the licensure requirements of
 42 the other state are substantially similar to the licensure

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requirements established by the commission.

(d) A person may not use a regulated explosive unless the person has a license issued under this section for the use of a regulated explosive.

(e) The office shall carry out the licensing and relicensing program under the rules adopted by the commission.

(f) As used in this section, "regulated explosive" does not include either of the following:

(1) **Consumer** fireworks (as defined in ~~27 CFR 55.11~~; **27 CFR 555.11**).

(2) Commercially manufactured black powder in quantities not to exceed fifty (50) pounds, if the black powder is intended to be used solely for sporting, recreational, or cultural purposes in antique firearms or antique devices.

SECTION 8. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 14-8-2-114; IC 14-37-3-14; IC 14-37-6-6; IC 14-37-8-17.

SECTION 9. **An emergency is declared for this act.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Natural Resources, to which was referred Senate Bill No. 442, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 442 as introduced.)

WEATHERWAX, Chairperson

Committee Vote: Yeas 8, Nays 0.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Natural Resources, to which was referred Senate Bill 442, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 6. IC 14-37-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. **(a) Except as provided in subsection (b),** if a well for oil and gas purposes is proposed to be drilled:

- (1) on land underlaid by an inactive underground mine; or
- (2) on land within the permit boundaries of an active underground mine permitted under IC 14-34;

an owner or operator shall, if the well is to be completed as a producing well **and regardless of whether the well is drilled through a pillar,** run an intermediate string of casing from the surface to a point at least fifty (50) feet below the base of the commercially minable coal resource or the mine floor.

(b) Upon written application to the director by a person that proposes to drill a well described in subsection (a), the director may grant a variance from the requirements of subsection (a) if:

- (1) with respect to a proposed well on land described in subsection (a)(1), written consent to the variance is given by:**

- (A) the permittee under IC 14-34; or**
- (B) the person that has the right to develop the coal resource; or**

- (2) with respect to a proposed well on land described in subsection (a)(2), written consent to the variance is given by the coal mine operator under IC 14-34.**

(c) If a variance is granted under subsection (b), the well must be completed:

- (1) in the manner required under section 4 or 5 of this chapter; and**
- (2) in a manner that prevents the following:**
 - (A) Waste.**
 - (B) Fresh water pollution.**
 - (C) Blowouts.**
 - (D) Cavings.**
 - (E) Seepages.**
 - (F) Fires.**
 - (G) Unreasonably detrimental effects upon fish, wildlife, and botanical resources."**

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Renumber all SECTIONS consecutively.
and when so amended that said bill do pass.

(Reference is to SB 442 as printed February 1, 2005.)

HOFFMAN, Chair

Committee Vote: yeas 10, nays 0.

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